

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: STUO-1194-AST	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: UNIT #891008900A	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE L.P.				9. WELL NAME and NUMBER: NBU 921-34MT	
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078				PHONE NUMBER: (435) 781-7024	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: LOT 4, 586'FSL, 494'FWL AT PROPOSED PRODUCING ZONE:				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 34 9S 21E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 13.9 +/- MILES SOUTH OF OURAY, UTAH				12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 494'		16. NUMBER OF ACRES IN LEASE: 1292.39		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40.00	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C		19. PROPOSED DEPTH: 9,700		20. BOND DESCRIPTION: RLB0005237	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5023'GL		22. APPROXIMATE DATE WORK WILL START:		23. ESTIMATED DURATION:	

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4"	9 5/8 32.3# H-40	2,500	265 SX CLASS G 1.18 YIELD 15.6 PPG
7 7/8"	4 1/2 11.6# I-80	9,700	1980 SX CLASS G 1.31 YIELD 14.3 PPG

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE  DATE 6/15/2007

(This space for State use only)

API NUMBER ASSIGNED:

43-047-39402

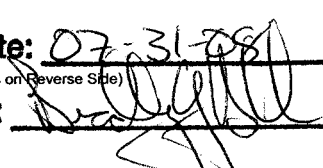
Approved by the
Utah Division of
Oil, Gas and Mining

APPROVAL:

Date: 07-31-08

(See Instructions on Reverse Side)

By:



RECEIVED

JUN 18 2007

DIV. OF OIL, GAS & MINING

T9S, R21E, S.L.B.&M.

Kerr-McGee Oil & Gas Onshore LP

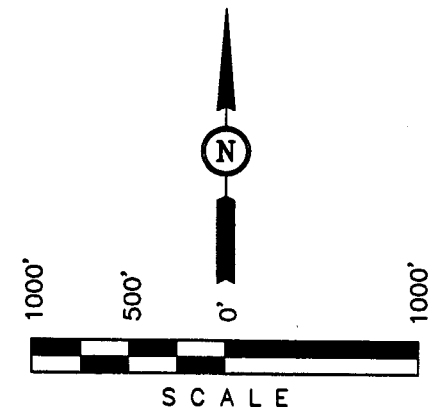
Well location, NBU #921-34MT, located as shown in Lot 4 of Section 34, T9S, R21E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

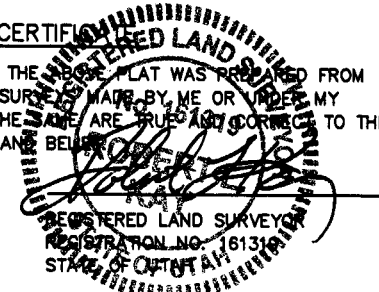
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



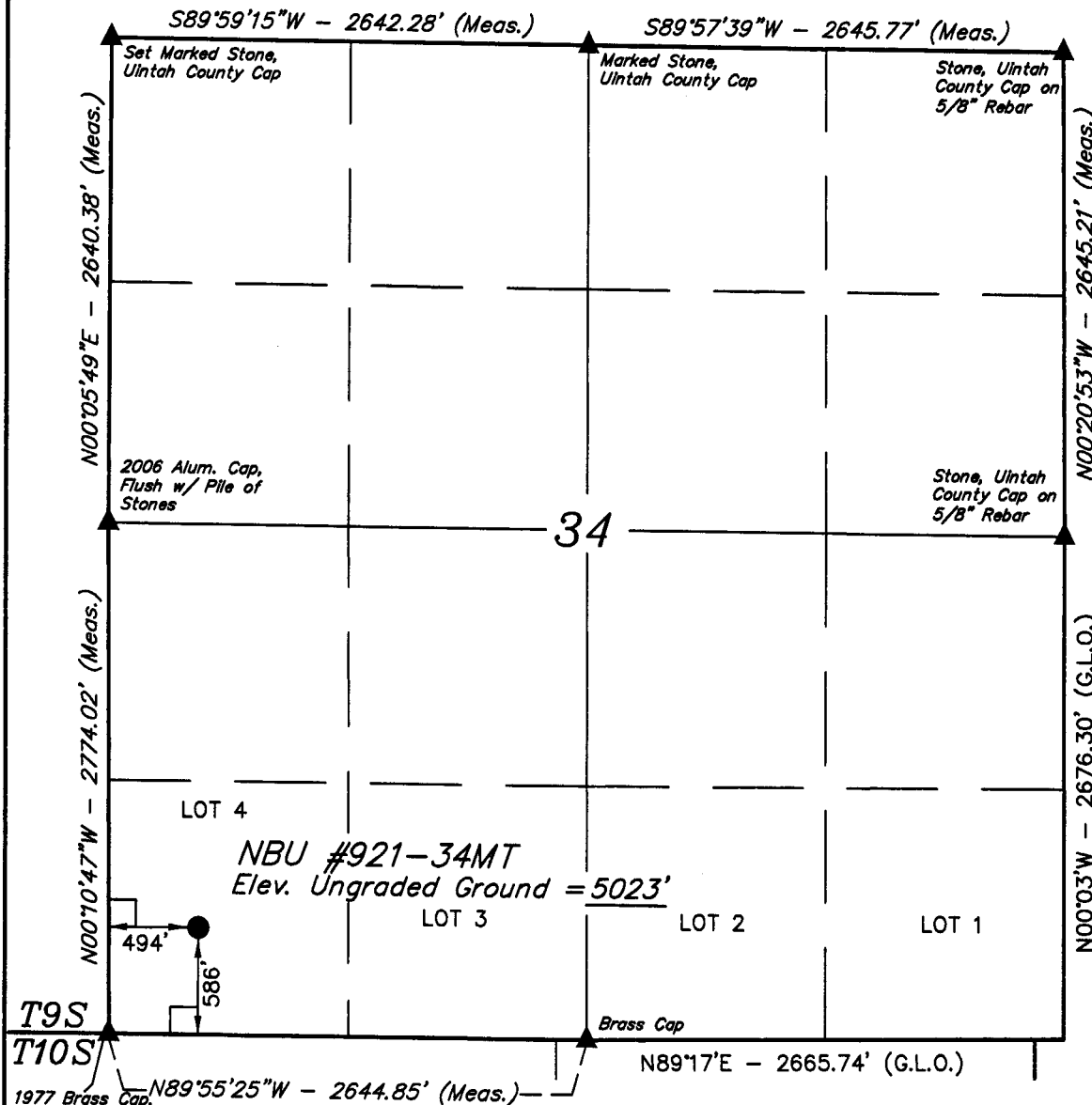
CERTIFICATION

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 03-29-07	DATE DRAWN: 04-12-07
PARTY D.S. M.B. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	



1977 Brass Cap,
1.3' High, Pile of
Stones, Steel Post

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 39°59'11.47" (39.986519)
LONGITUDE = 109°32'43.64" (109.545456)
(NAD 27)
LATITUDE = 39°59'11.60" (39.986556)
LONGITUDE = 109°32'41.16" (109.544767)

**NBU 921-34MT
SW/SW LOT. 4, SEC. 34, T9S, R21E
UINTAH COUNTY, UTAH
UTSTUO-1194-A-ST**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1452'
Top of Birds Nest Water	1738'
Mahogany	2113'
Wasatch	4791'
Mesaverde	7524'
MVU2	8497'
MVL1	9164'
TD	9700'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	1452'
	Top of Birds Nest Water	1738'
	Mahogany	2113'
Gas	Wasatch	4791'
Gas	Mesaverde	7524'
Gas	MVU2	8497'
Gas	MVL1	9164'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Program.

6. Evaluation Program:

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 9700' TD, approximately equals 6014 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3880 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE June 14, 2007
 WELL NAME NBU 921-34MT TD 9,700' MD/TVD
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,023' GL KB 5,038'
 SURFACE LOCATION SWSW, SEC. 34, T9S, R21E, 586' FSL 494' FWL BHL Straight Hole
 Latitude: 39.986519 Longitude: 109.545456
 OBJECTIVE ZONE(S) Wasatch/Mesaverde
 ADDITIONAL INFO Regulatory Agencies: UDOGM (SURF & MINERALS), BLM, Tri-County Health Dept.

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
Catch water sample, if possible, from 0 to 4,791' Green River @ 1,452' Top of Birds Nest Water @ 1738' Mahogany @ 2,113' Preset f/ GL @ 2,500' MD					
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
Mud logging program TBD Open hole logging program f/ TD - surf csg					
	Wasatch @	4,791'	7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	Water/Fresh Water Mud 8.3-11.8 ppg
	Mverde @	7,524'			
	MVU2 @	8,497'			
	MVL1 @	9,164'			
	TD @	9,700'			Max anticipated Mud required 11.8 ppg



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 2500	32.30	H-40	STC	0.59*****	1.17	3.59
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 9700	11.60	I-80	LTC	2.04	1.07	2.05

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
- 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
- (Burst Assumptions: TD = 11.8 ppg) .22 psi/ft = gradient for partially evac wellbore
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
- MASP 3818 psi
- ***** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		FT OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
NOTE: If well will circulate water to surface, option 2 will be utilized							
SURFACE Option 2	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite +.25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,290'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	470	60%	11.00	3.38
	TAIL	5,410'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1510	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

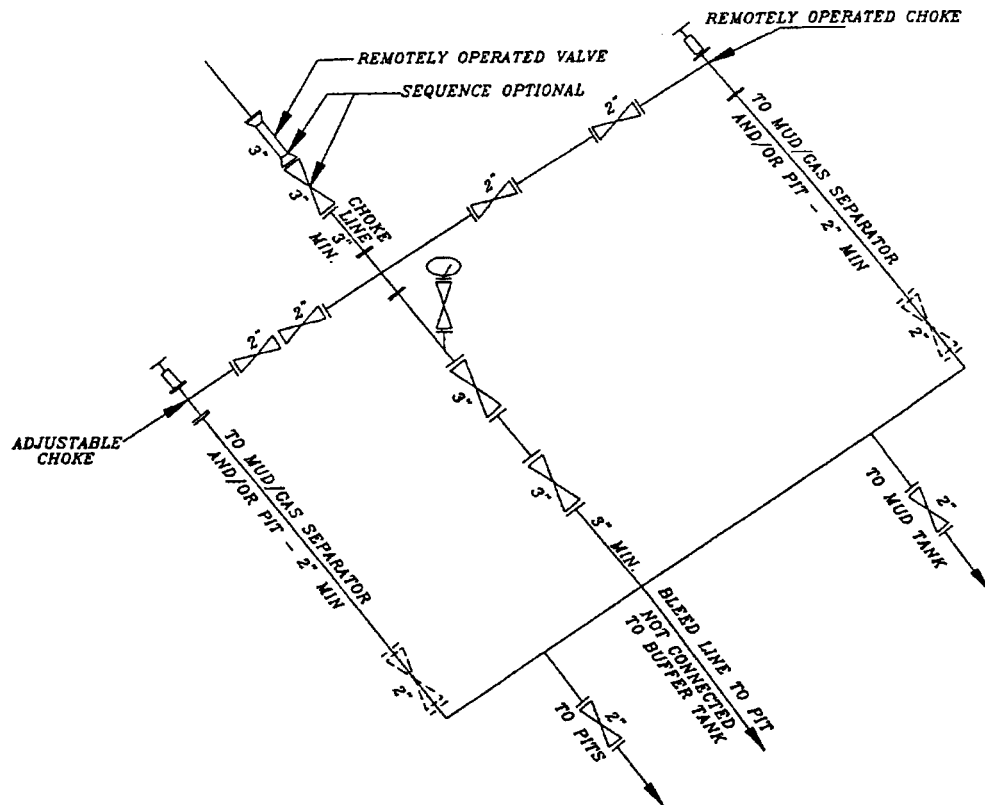
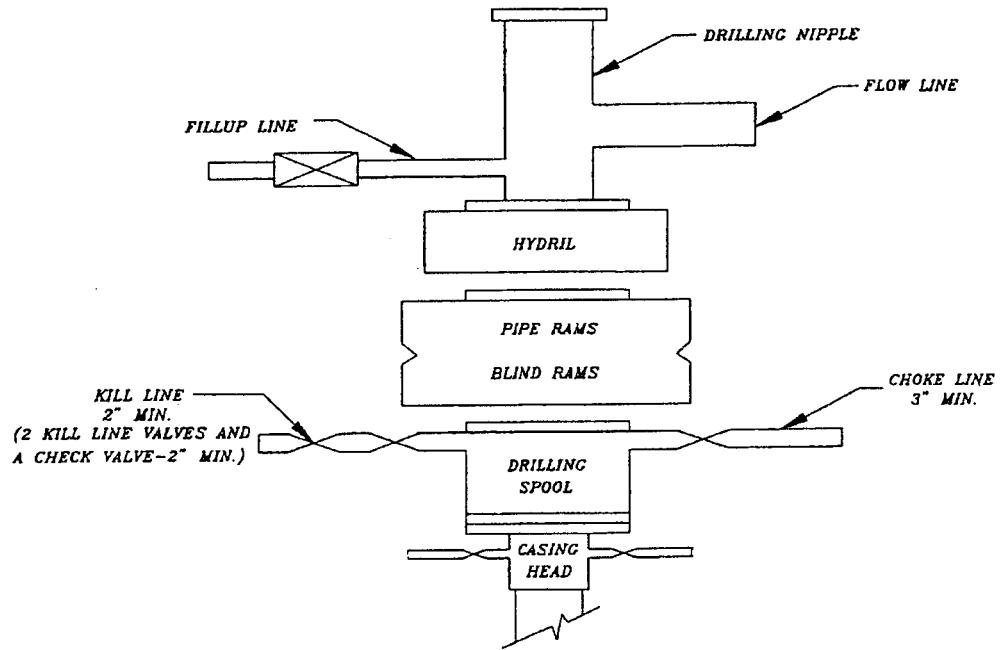
DATE: _____

DRILLING SUPERINTENDENT:

Randy Bayne

DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**NBU 921-34MT
SW/SW LOT 4, SEC. 34, T9S, R21E
Uintah County, UT
UTSTUO-1194-A-ST**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Approximately 190' +/- of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

Approximately 210' +/- of re-route road is proposed. Refer to Topo Map B.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 238' +/- of 4" steel pipeline is proposed. Please refer to the attached Topo Map D for pipeline placement.

5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with

dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.

8. Ancillary Facilities:

None are anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

11. Surface Ownership:

SITLA
675 East 500 South, Suite 500
Salt Lake City, UT 84102

12. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey will be submitted when report becomes available.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. Lessee's or Operators's Representative & Certification:

Sheila Upchego
Senior Land Admin Specialist
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East.
Vernal, UT 84078
(435) 781-7024

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005237.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Sheila Upchego

6/15/2007
Date

Kerr-McGee Oil & Gas Onshore LP

NBU #921-34MT

SECTION 34, T9S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 2.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 100' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 190' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 44.9 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #921-34MT

LOCATED IN UINTAH COUNTY, UTAH
SECTION 34, T9S, R21E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

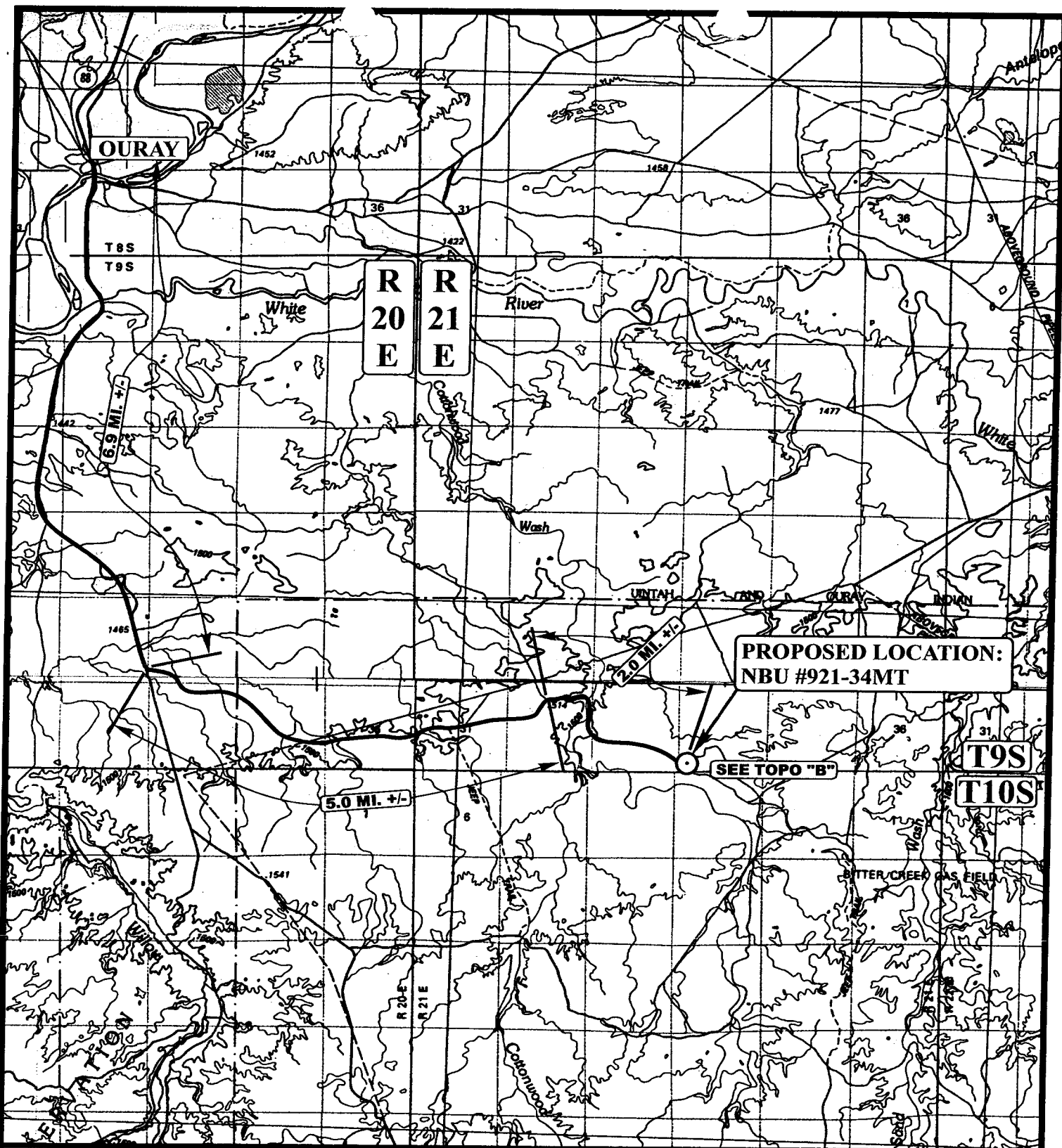
04 09 07
MONTH DAY YEAR

PHOTO

TAKEN BY: D.S.

DRAWN BY: C.P.

REVISED: 00-00-00



LEGEND:

⊙ PROPOSED LOCATION

N



Kerr-McGee Oil & Gas Onshore LP

NBU #921-34MT

SECTION 34, T9S, R21E, S.L.B.&M.

586' FSL 494' FWL



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

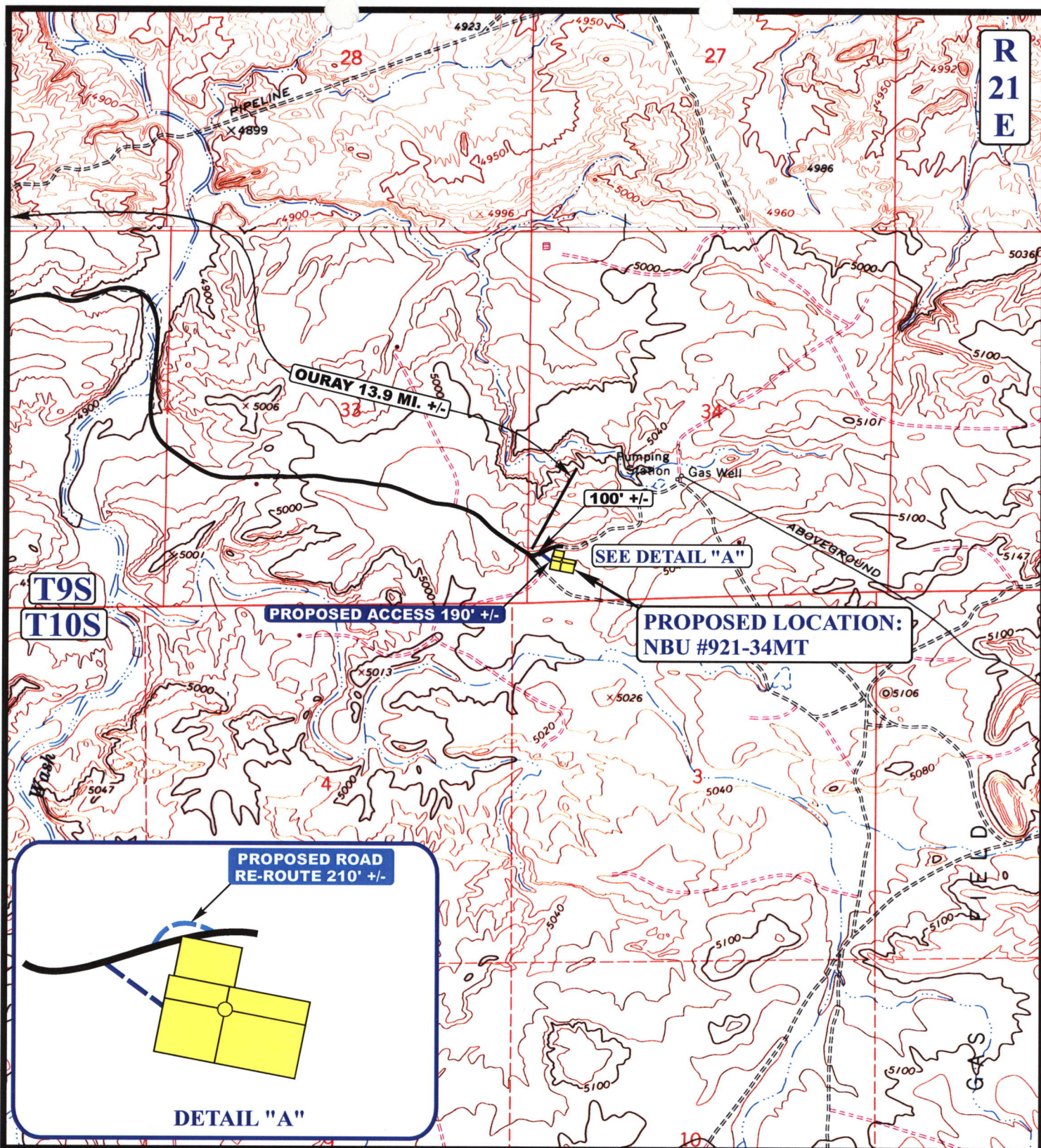
04 09 07
MONTH DAY YEAR

SCALE: 1:100,000

DRAWN BY: C.P.

REVISED: 00-00-00



R
21
E

T9S
T10S

OURAY 13.9 MI

100' +

SEE DETAIL "A"

PROPOSED ACCESS 190' +/-

PROPOSED LOCATION:
NBU #921-34MT

ABOVEGROUND

**PROPOSED ROAD
RE-ROUTE 210' +/-**

DETAIL "A"

LEGEND:

 EXISTING ROAD
 PROPOSED ACCESS ROAD
 PROPOSED ROAD RE-ROUTE

Kerr-McGee Oil & Gas Onshore LP

NBU #921-34MT
SECTION 34, T9S, R21E, S.L.B.&M.
586' FSL 494' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP		04 MONTH	09 DAY	07 YEAR
SCALE: 1" = 2000'	DRAWN BY: C.P.	REVISED: 00-00-00		

B
TOPO

Kerr-McGee Oil & Gas Onshore LP

LOCATION LAYOUT FOR

NBU #921-34MT

SECTION 34, T9S, R21E, S.L.B.&M.

586' FSL 494' FWL

CONSTRUCT
DIVERSION
DITCH \

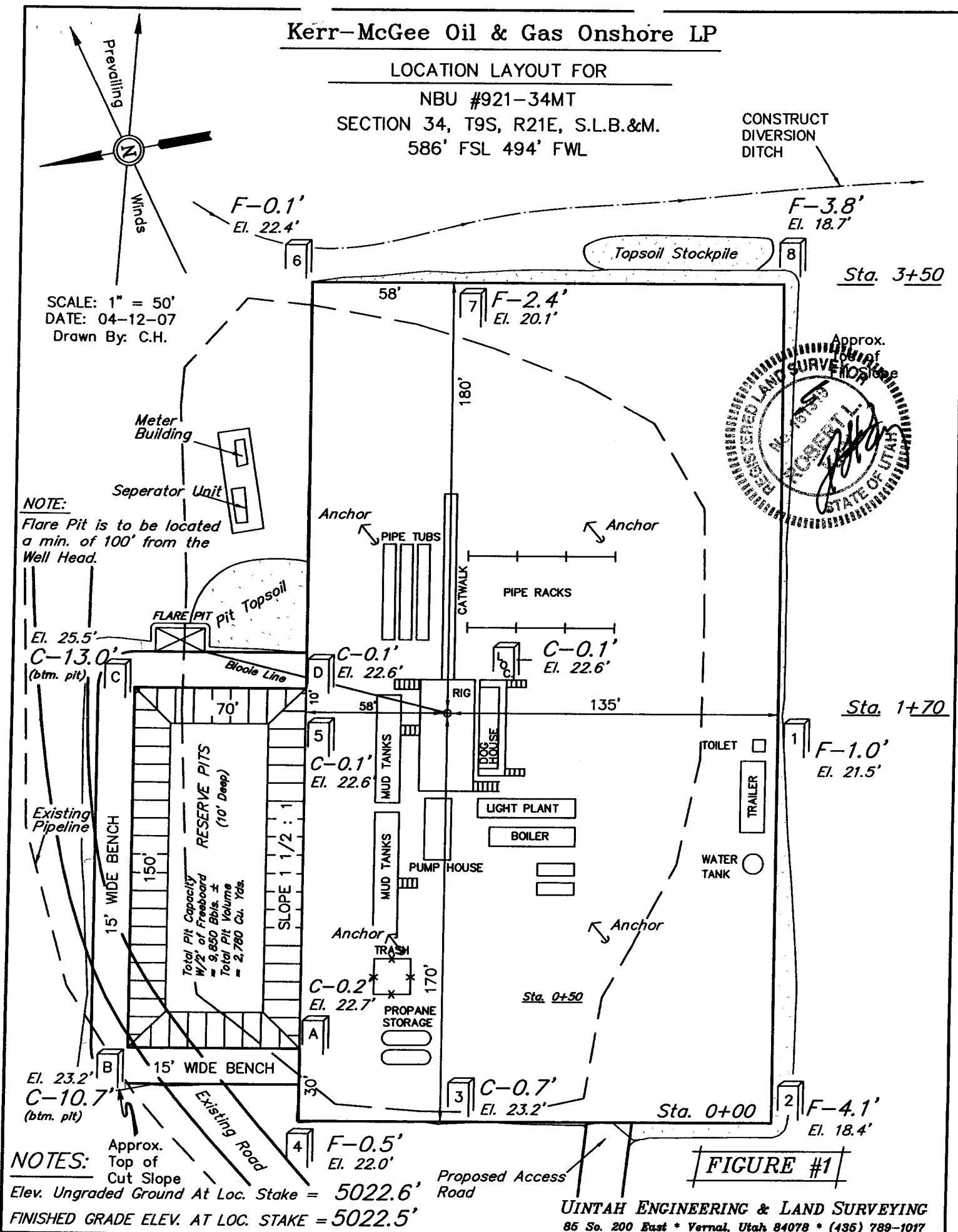


FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

Kerr-McGee Oil & Gas Onshore LP

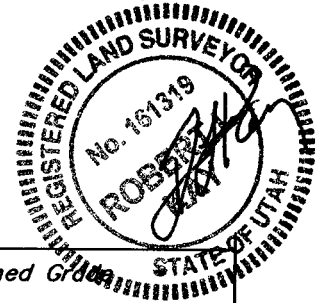
FIGURE #2

TYPICAL CROSS SECTIONS FOR

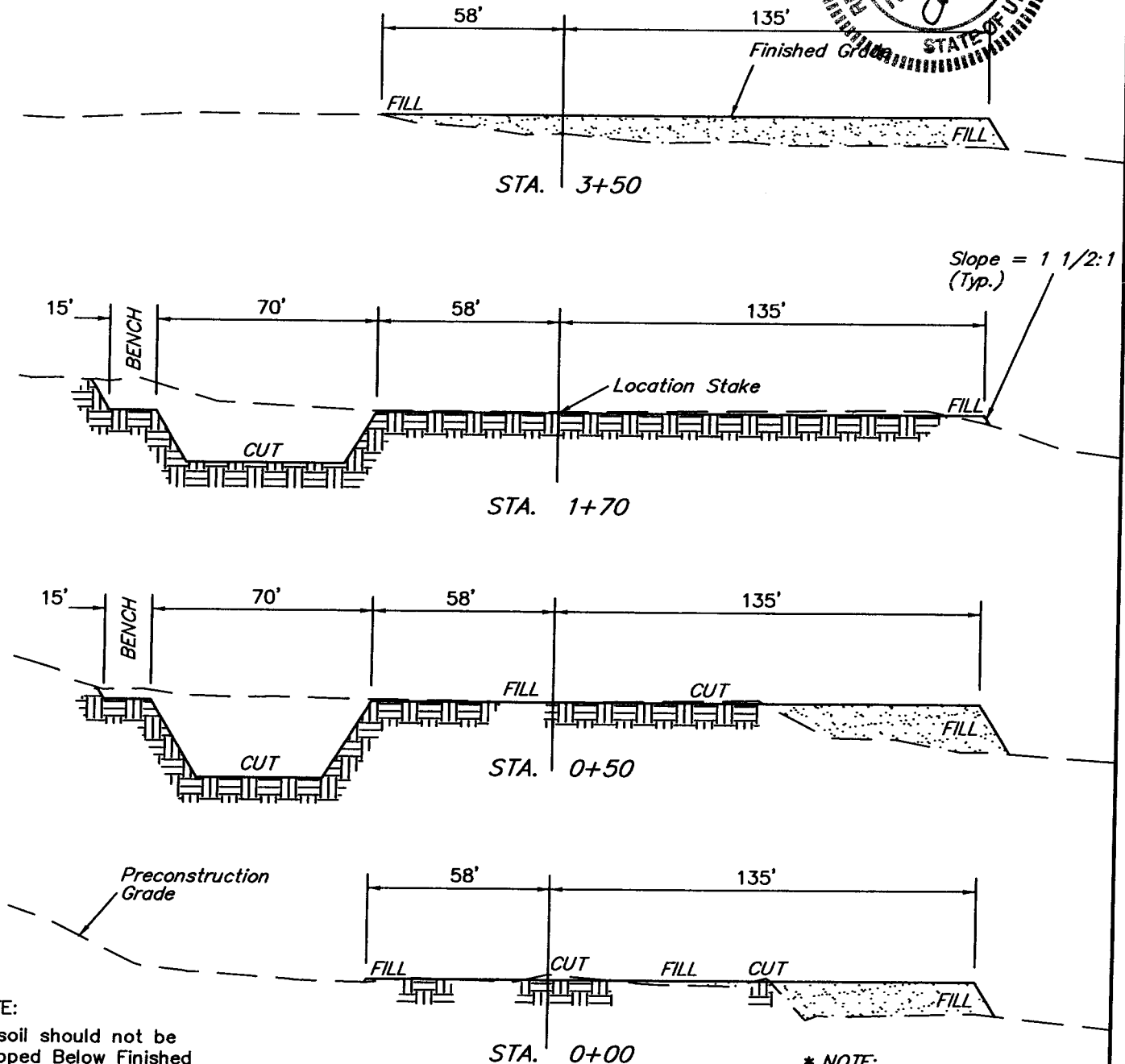
NBU #921-34MT

SECTION 34, T9S, R21E, S.L.B.&M.

586' FSL 494' FWL



1" = 20'
X-Section
Scale
1" = 50'
DATE: 04-12-07
Drawn By: C.H.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 530 Cu. Yds.
(New Construction Only)
Remaining Location = 3,540 Cu. Yds.

TOTAL CUT = 4,070 CU.YDS.
FILL = 2,150 CU.YDS.

EXCESS MATERIAL = 1,920 Cu. Yds.
Topsoil & Pit Backfill = 1,920 Cu. Yds.
(1/2 Pit Vol.)
DEFICIT UNBALANCE = 0 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/18/2007

API NO. ASSIGNED: 43-047-39402

WELL NAME: NBU 921-34MT
OPERATOR: KERR-MCGEE OIL & GAS (N2995)
CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

SWSW 34 090S 210E
SURFACE: 0586 FSL 0494 FWL
BOTTOM: 0586 FSL 0494 FWL
COUNTY: UINTAH
LATITUDE: 39.98641 LONGITUDE: -109.5447
UTM SURF EASTINGS: 624251 NORTHINGS: 4427053
FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DRO	11/8/07
Geology		
Surface		

LEASE TYPE: 3 - State
LEASE NUMBER: STUO-1194-AST
SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD
COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 22013542)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 43-8496)
☒ RDCC Review (Y/N)
(Date: _____)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3.
Unit: NATURAL BUTTES
☐ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☐ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 173-14
Eff Date: 12-3-94
Siting: 460' fr u/b d g. uncomm. tracts
☐ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (06-27-07)

STIPULATIONS:

1- STATEMENT OF BASIS
2- OIL SHALE
3- Surface Csg Cont Strip

Application for Permit to Drill

Statement of Basis

7/3/2007

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
450	43-047-39402-00-00		GW	S	No
Operator	KERR-MCGEE OIL & GAS ONSHORE, LP	Surface Owner-APD			
Well Name	NBU 921-34MT	Unit	NATURAL BUTTES		
Field	NATURAL BUTTES	Type of Work			
Location	SWSW 34 9S 21E S 586 FSL 494 FWL	GPS Coord (UTM)	624251E 4427053N		

Geologic Statement of Basis

Kerr McGee proposes to set 2,500' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,000'. A search of Division of Water Rights records shows two water wells within a 10,000 foot radius of the center of Section 34. The wells are located approximately 1 mile east and west from the proposed location. The eastern well is owned by Dekalb Agricultural and is used for oil well drilling fluid. Depth is listed as 2,640 feet. The western well is owned by SITLA and is used for oil well drilling fluid. Depth is listed as 200 feet. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water.

Brad Hill
APD Evaluator

7/3/2007
Date / Time

Surface Statement of Basis

The general area is within the Natural Buttes Unit of the middle portion of the Cottonwood Wash Drainage. The area is characterized by rolling hills and benches, which are frequently intersected by somewhat gentle draws, which flow into Cottonwood Wash. The draws are occasionally rimmed with steep side hills, which have exposed sand stone bedrock cliffs along the rims. Cottonwood Wash is an ephemeral drainage, which drains northerly approximately 6 miles to the White River. No seeps, springs or streams exist in the area. An occasional pond collecting runoff for livestock and antelope occurs.

This location is approximately 14 road miles southeast of Ouray, Utah and is accessed by the Seep Ridge Road then by existing or planned oil field development roads to within 190 feet of the proposed site. New construction will be needed from this point. An existing road will be re-routed to miss the location.

The proposed well will primarily be located on the old pad of the plugged NBU 98V well. The surface will be lowered 0.1 feet to obtain fill for expanding the pad. No drainage problems exist. The main stem of Cottonwood Wash is about 1.0 mile to the west.

Both the surface and minerals are owned by SITLA. Jim Davis represented SITLA at the pre-site investigation. Mr. Davis had no concerns pertaining to this location. The selected location appears to be a suitable site for drilling and operating a well.

Floyd Bartlett
Onsite Evaluator

6/27/2007
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 20 mils with a felt subliner shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, LP
Well Name NBU 921-34MT
API Number 43-047-39402-0 **APD No** 450 **Field/Unit** NATURAL BUTTES
Location: 1/4,1/4 SWSW **Sec** 34 **Tw** 9S **Rng** 21E 586 FSL 494 FWL
GPS Coord (UTM) 624236 4427100 **Surface Owner**

Participants

Floyd Bartlett (DOGM), Jim Davis (SITLA), Carroll Estes, Clay Einerson, Tony Kznick, (Kerr McGee), David Kay (Uintah Engineering and Land Surveying), Daniel Emmitt (UDWR).

Regional/Local Setting & Topography

The general area is within the Natural Buttes Unit of the middle portion of the Cottonwood Wash Drainage. The area is characterized by rolling hills and benches, which are frequently intersected by somewhat gentle draws, which flow into Cottonwood Wash. The draws are occasionally rimmed with steep side hills, which have exposed sand stone bedrock cliffs along the rims. Cottonwood Wash is an ephemeral drainage, which drains northerly approximately 6 miles to the White River. No seeps, springs or streams exist in the area. An occasional pond collecting runoff for livestock and antelope occurs.

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Both the surface and minerals are owned by SITLA.

Surface Use Plan

Current Surface Use

Grazing
Wildlife Habitat
Recreational
Existing Well Pad

New Road

Miles	Well Pad		Src Const Material	Surface Formation
0.01	Width 278	Length 350	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Vegetation is a sparse desert shrub type. Horsebrush, curly mesquite, halogeton, prickly pear, spiny hopsage and spring annuals are present.

Antelope, cattle, rabbits, coyotes, and small mammals, birds and raptors.

Soil Type and Characteristics

shallow rocky sandy loam

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y **Paleo Potential Observed?** N **Cultural Survey Run?** Y **Cultural Resources?** N

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	<300	20
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

Final Score 35 **Sensitivity Level**

Characteristics / Requirements

The proposed reserve pit is 70' x 150' x 10' deep located in a cut on the northwest corner of the location. A 20 mil liner with a felt sub-liner is planned by Kerr McGee.

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 20 **Pit Underlayment Required?** Y

Other Observations / Comments

Daniel Emmitt representing the UDWR was at the pre-site. He stated the area is classified as critical habitat for antelope. He stated that the lack of water not forage is the limiting factor affecting the herd in the area. He recommended no restrictions for antelope. No other wildlife is expected to be significantly affected. He gave Jim Davis of SITLA and Carroll Estes of Kerr McGee a copy of his wildlife evaluation and a UDWR recommended seed mix to be used when re-vegetating the location.

Floyd Bartlett
Evaluator

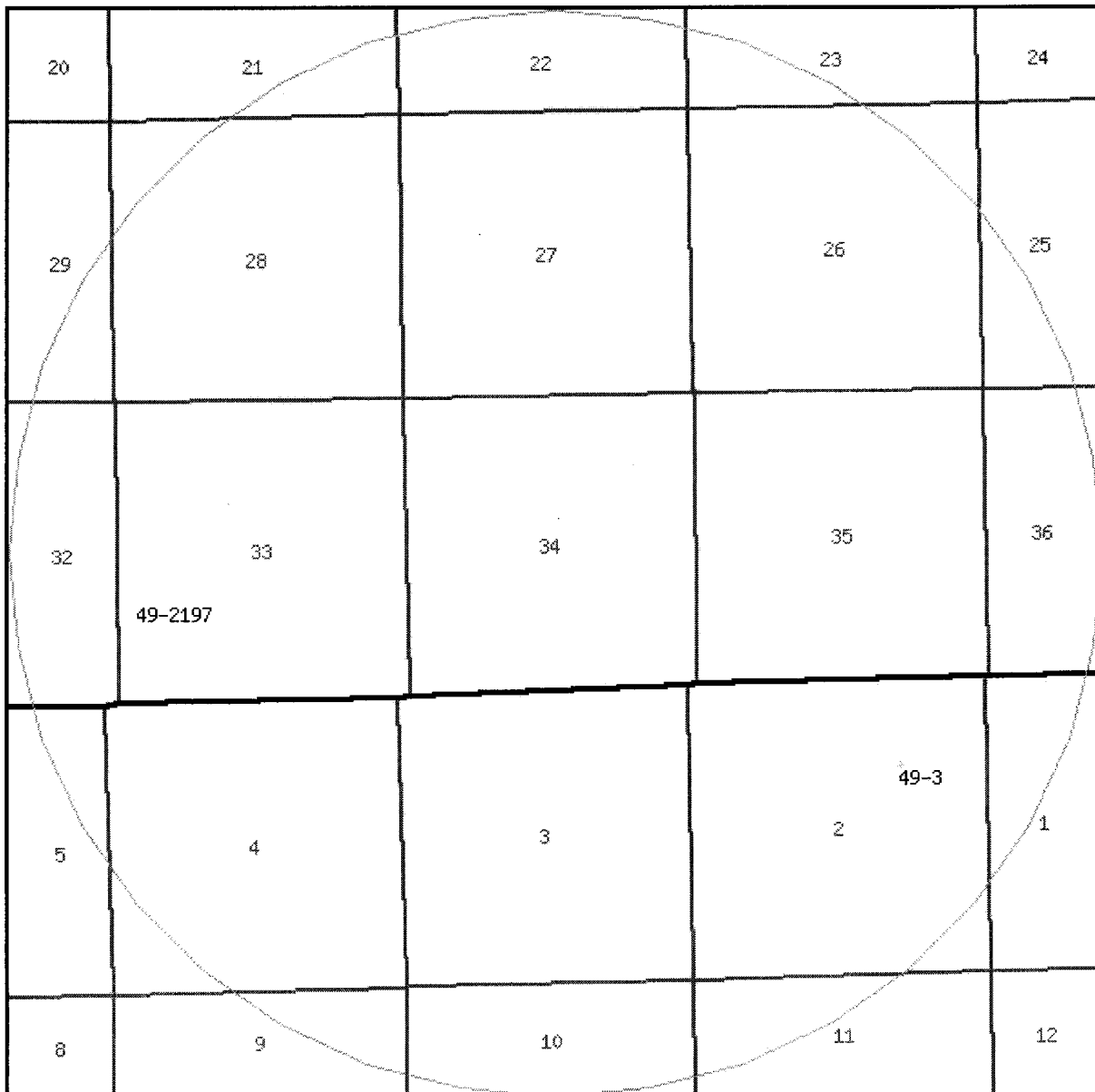
6/27/2007
Date / Time



WRPLAT Program Output Listing

Version: 2007.04.13.01 Rundate: 07/03/2007 01:37 PM

Radius search of 10000 feet from a point N2640 E2640 from the SW corner, section 34, Township 9S, Range 21E, SL b&m Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



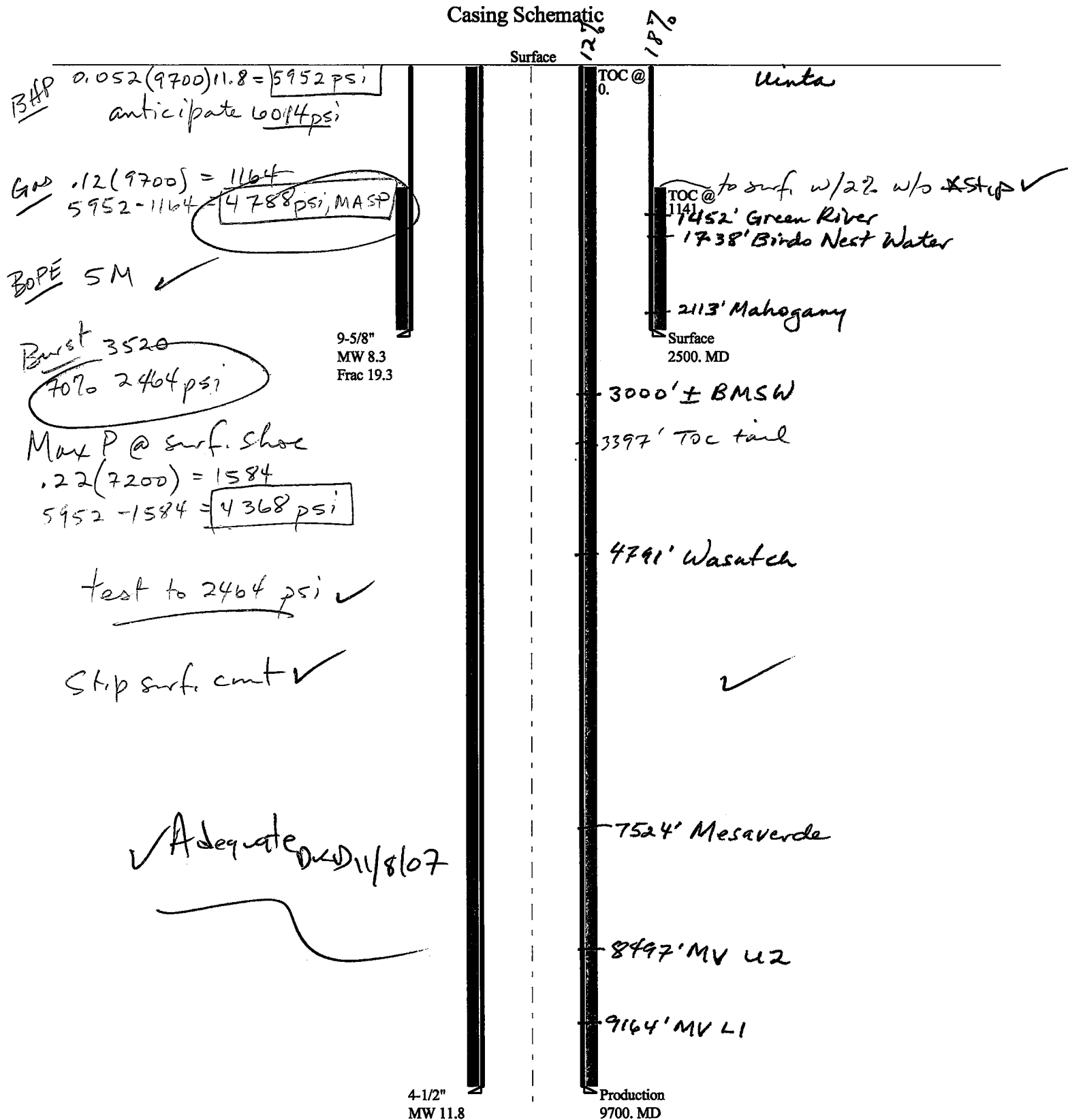
0 1300 2600 3900 5200 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner
<u>49-2197</u>	Underground		A	20050527	O	0.250	0.000	UTAH SCHOOL AND INSTITUTIONAL TR ADM. RICHARD B. WILCO SPECIALIST
	N1855 E348 SW 33 9S 21E SL							
<u>49-3</u>	Underground		P	19590617	O	0.026	0.000	DEKALB AGRICULT ASSOCIATION INCC BOX 523
	S1650 W1564 NE 02 10S 21E SL							

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

Casing Schematic



Well name:	2007-07 Kerr McGee NBU 921-34MT	
Operator:	Kerr McGee Oil & Gas Onshore L.P.	Project ID:
String type:	Surface	43-047-39402
Location:	Uintah County, Utah	

Design parameters:
Collapse

Mud weight: 8.300 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 110 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,300 ft
Cement top: 1,141 ft

Burst

Max anticipated surface pressure: 2,200 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,500 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 2,193 ft

Non-directional string.
Re subsequent strings:

Next setting depth: 9,700 ft
Next mud weight: 11.800 ppg
Next setting BHP: 5,946 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,500 ft
Injection pressure: 2,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2500	9.625	36.00	J-55	ST&C	2500	2500	8.796	1085.1

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1078	2020	1.874	2500	3520	1.41	79	394	4.99 J

Prepared Helen Sadik-Macdonald
by: Div of Oil, Gas & Minerals

Phone: (801) 538-5357
FAX: (801) 359-3940

Date: August 29, 2007
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2500 ft, a mud weight of 8.3 ppg. The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

2007-07 Kerr McGee NBU 921-34MTOperator: **Kerr McGee Oil & Gas Onshore L.P.**String type: **Production**

Project ID:

43-047-39402Location: **Uintah County, Utah****Design parameters:****Collapse**Mud weight: **11.800 ppg**→ Internal fluid density: **2.300 ppg****Minimum design factors:****Collapse:**Design factor **1.125****Burst:**Design factor **1.00****Environment:**H2S considered? **No**Surface temperature: **75 °F**Bottom hole temperature: **211 °F**Temperature gradient: **1.40 °F/100ft**Minimum section length: **1,500 ft**Cement top: **Surface****Burst**Max anticipated surface pressure: **3,812 psi**Internal gradient: **0.220 psi/ft**Calculated BHP **5,946 psi**

No backup mud specified.

Tension:8 Round STC: **1.80 (J)**8 Round LTC: **1.80 (J)**Buttress: **1.60 (J)**Premium: **1.50 (J)**Body yield: **1.50 (B)****Non-directional string.**

Tension is based on buoyed weight.

Neutral point: **7,989 ft**

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9700	4.5	11.60	I-80	LT&C	9700	9700	3.875	846.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4787	6360	1.329	5946	7780	1.31	93	212	2.29 J

Prepared **Helen Sadik-Macdonald**
by: **Div of Oil, Gas & Minerals**Phone: **(801) 538-5357**
FAX: **(801) 359-3940**Date: **August 29, 2007**
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 9700 ft, a mud weight of 11.8 ppg. An internal gradient of .119 psi/ft was used for collapse from TD. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

June 20, 2007

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2007 Plan of Development Natural Buttes Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2007 within the Natural Buttes Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
------	-----------	----------

(Proposed PZ Wasatch/MesaVerde)

43-047-39403	NBU 1021-23FT Sec 23 T10S R21E 2295 FNL 2088 FWL	
43-047-39401	NBU 921-16D Sec 16 T09S R21E 1136 FNL 0549 FWL	
43-047-39402	NBU 921-34MT Sec 34 T09S R21E 0586 FSL 0494 FWL	
43-047-39404	NBU 1022-05IT Sec 05 T10S R22E 1465 FSL 0811 FEL	

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Natural Buttes Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:6-20-07

Helen Sadik-Macdonald - Surface Casing changes

From: "Laney, Brad"
To:
Date: 09/07/2007 3:26 PM
Subject: Surface Casing changes
CC: "Upchego, Sheila" , "Worthen, Rebecca"

Helen,

The following wells will have 36# casing run in them for the entire surface casing interval.

NBU 921-16P
NBU 921-16J
NBU 921-16HT
NBU 921-16MT
NBU 921-25NT
NBU 921-34MT

Anadarko is currently in the process of converting all future wells to a 36# surface casing string but we will continue to utilize our existing inventory of 32.3# until sometime in October. All future permits will reflect the changes to the surface casing. If you need any additional paperwork or have any questions, let me know.

Thanks again
Brad

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From: Jim Davis
To: Mason, Diana
Date: 7/30/2008 4:03 PM
Subject: SITLA APD approval 7/30/08

CC: Bonner, Ed; Garrison, LaVonne
The following wells have been approved by SITLA including arch and paleo clearance.

Operator	Well Name	API #
Kerr McGEE	NBU 921-26M2AS	4304740113
Kerr McGEE	NBU 922-32O1T	4304740116
Kerr McGEE	NBU 922-29J	4304740119
ConocoPhillips	Utah 17-1174	4300731418
EOG Res	NBU 672-25E	4304750028
XTO Energy	St of Ut 16-8-32-23D	4301530741
XTO Energy	St of Ut 16-8-31-43D	4301530742
Gasco Prod	Gate Cyn St 12-21-11-15	4301333858
Gasco Prod	State 42-32-9-19	4304739795
National Fuel	NFC Lindisfarne St 43-35	4304739852
EOG Resources	NBU 642-13E	4304750013
EOG Resources	NBU 640-13E	4304750014
EOG Resources	NBU 663-24E	4304750010
EOG Resources	NBU 661-24E	4304750011
Kerr McGEE	NBU 921-34MT	4304739402
Kerr McGEE	NBU 1022-25H	4304739033
Kerr McGEE	State 1022-25I	4304739034
Westport O&G	State 921-32N	4304737957
Westport O&G	State 921-32O	4304737958
EOG Resources	NBU 638-13E	4304750016

-Jim Davis



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 31, 2008

Kerr-McGee Oil & Gas Onshore LP
1368 S 1200 E
Vernal, UT 84078

Re: NBU 921-34MT Well, 586' FSL, 494' FWL, SW SW, Sec. 34, T. 9 South, R. 21 East,
Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39402.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal Office
SITLA



Operator: Kerr-McGee Oil & Gas Onshore LP
Well Name & Number NBU 921-34MT
API Number: 43-047-39402
Lease: STUO-1194-AST

Location: SW SW Sec. 34 T. 9 South R. 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

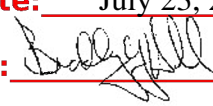
The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
7. Surface casing shall be cemented to the surface.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: STUO-1194-AST			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES			
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 921-34MT			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0586 FSL 0494 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSW Section: 34 Township: 09.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047394020000			
PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES			
COUNTY: Uintah		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 7/24/2009 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____ </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.					
<div style="text-align: right;"> Approved by the Utah Division of Oil, Gas and Mining </div>		Date: July 23, 2009 By: 			
NAME (PLEASE PRINT) Danielle Piernot		PHONE NUMBER 720 929-6156			
SIGNATURE N/A		TITLE Regulatory Analyst			
DATE 7/21/2009					

RECEIVED July 21, 2009



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047394020000

API: 43047394020000

Well Name: NBU 921-34MT

Location: 0586 FSL 0494 FWL QTR SWSW SEC 34 TWP 090S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 7/31/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 7/21/2009

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: July 23, 2009

By: 

RECEIVED July 21, 2009

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: STUO-1194-AST
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 921-34MT
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COUNTY: UTAH		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 8/9/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: August 09, 2010

By:

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 8/9/2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047394020000

API: 43047394020000

Well Name: NBU 921-34MT

Location: 0586 FSL 0494 FWL QTR SWSW SEC 34 TWP 090S RNG 210E MER S

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- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 8/9/2010

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: August 09, 2010

By: 

RECEIVED August 09, 2010



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 3, 2011

43 047 39402
NBU 921-34MT
95 21E 34

Kerr McGee Oil & Gas Onshore, L.P.
P.O. Box 173779
Denver, CO 80217

Re: APDs Rescinded for Kerr McGee Oil & Gas Onshore, L.P.
Uintah County


Ladies and Gentlemen:

Enclosed find the list of APDs that are being rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective August 3, 2011.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Ed Bonner, SITLA



43-047-39522	Tribal 822-31O
43-047-50037	NBU 495-31E
43-047-50038	NBU 731-36E
43-047-50039	NBU 735-36E
43-047-50040	NBU 743-31E
43-047-50042	NBU 733-36E
43-047-37957	State 921-32N
43-047-37958	State 921-32O
43-047-39033	NBU 1022-25H
43-047-39034	State 1022-25I
→ 43-047-39402	NBU 921-34MT